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20th March, 1959.COCOM Document No. 3416.48/3COORDINATING COMMITTEERECORD OF DISCUSSIONONITEM 1648 - COBALTAND ITEM 1720 - COBALT COMPOUNDS12th, 16th, 18th and 19th March, 1959.69
5 General

Present: Belgium(Luxembourg), Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Norway, Turkey, United Kingdom, United States.

References: COCOM Documents 3016.00/4, 3416.00/1, 2 and 3; COCOM Sub-C(58) 6 and 8, COCOM Document No. 3416.48/1 and 2.

1. The CHAIRMAN asked for views on the definition of cobalt compounds, Item 1720.
2. The BELGIAN Delegate stated that his position was unchanged from that recorded in COCOM Document 3416.48/2.
3. The FRENCH Delegate repeated his view that the Belgian position was logical and that he supported it. He would not repeat what had been said many times before - that it was as easy to extract cobalt from alloys as from compounds. He stated, nevertheless, that he would join in any decision reached unanimously.
4. The GERMAN Delegate reminded the Committee that on the 12th February his Delegation had suggested a compromise solution, which was set out on page 5 of COCOM Document 3416.48/2. He asked whether agreement could not be reached on this basis of a 50% cut-off accompanied by a Watch List definition.
5. The BELGIAN Delegate said that, as a concession, he could accept the following definition:

Cobalt compounds in their usual commercial form having a cobalt content of 50% or more calculated on an anhydrous basis.

He asked the United States Delegation to refer this proposal to their authorities. The Delegate said that he had no instructions on the German proposal involving the Watch List and would refer this to his authorities.

6. On the 16th March the FRENCH Delegate drew the Committee's attention to the position taken by the French Delegation as outlined in COCOM Document 3416.00/3, paragraph 5. He repeated that they were prepared to make all possible concessions on percentages, but that, owing to increasingly urgent pressure from industrial circles, they could not continue much longer to wait for the Committee to take a decision and urged them once again to do so as soon as possible. Licences for cobalt alloys had been held up through the intervention of the Quai d'Orsay because it was anticipated that an agreement was imminent in the Coordinating Committee to embargo cobalt-bearing alloys containing 50% or more cobalt. Should this agreement fail to materialise at once, the licensing authorities would be obliged to authorise the exports in question.

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7. The UNITED STATES Delegate thanked his French colleague for his efforts to prevent the supply of products on which the Committee had in fact reached substantive agreement: what was holding up the finalisation of the decision on cobalt alloys was only the question of the treatment that should be applied to cobalt compounds. The Delegate repeated that as to compounds he could still agree to the original French proposal as amended by the United Kingdom Delegation (page 5 of COCOM Document 3016.00/4). He continued to hope that the Committee would accept this formula.

8. The GERMAN Delegate pointed out that it had always been the custom, when an embargo proposal had found a wide majority in its favour, that no licences should be granted. He nevertheless agreed with the French Delegate that these discussions had been too protracted.

9. The BELGIAN Delegate said he could only repeat what had always been his Delegation's position. As cobalt alloys were of greater strategic significance than cobalt compounds, it was difficult to understand the United States Delegation's inability to agree that compounds should be embargoed in the same manner as alloys. He expressed regret for the inability of the Belgian experts to come to Paris to meet the expert from Washington who was present.

10. The FRENCH Delegate stated that a French expert was present, but could only confirm what had been stated on the 29th and 30th January, as set out in paragraphs 18 and 19 of COCOM Document 3416.00/2. The Delegate once more expressed his conviction that everything had already been said and that there would be no point in a new confrontation of experts.

11. The CHAIRMAN proposed that a few more days should be allowed for bilateral negotiations in the hope that at the meeting on the 19th March a final agreement might at last be reached.

12. The FRENCH Delegate asked whether it would be possible to separate the question of Item 1648(b) from that of Item 1720, in view of the fact that there was general agreement in the case of the former item. Given a clear decision on cobalt alloys, Governments could proceed to make permissible exports.

13. The GERMAN Delegate pointed out that, as no one had proposed embargoing cobalt alloys having a cobalt content of less than 50%, all Governments were free to export these, unless they contained 14% or more chromium and less than 1% carbon or 3% or more molybdenum.

14. The BELGIAN Delegate undertook to ask for further instructions, which he hoped to receive by the 19th March.

15. The FRENCH Delegate pointed out that cobalt compounds had nothing to do with the Metals Category: they were in the Chemicals Category. He felt therefore that the Committee was not obliged to link alloys and compounds.

16. On the 18th March the UNITED STATES Delegate said that his authorities had hoped that it would be possible for the Committee to reach agreement on cobalt alloys without going further than the proposal that had been virtually agreed on compounds. Purely for the purpose of reaching an agreement on cobalt alloys, however, and removing the indeterminate nature of the controls on cobalt alloys, his authorities made the following last-resort proposal which it was hoped would be acceptable to the Committee both as far as compounds themselves were concerned and also for clearing the ground in respect of alloys.

"Compounds which contain 40% or more cobalt calculated on an anhydrous basis whether the compounds are actually shipped in their anhydrous or their hydrated form."

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In addition the United States authorities proposed that the remainder of the present definition not covered by this new proposal should be placed on the Watch List. The Delegate concluded by saying that he hoped this proposal would enable the Committee to reach unanimous agreement.

17. The BELGIAN Delegate made the following statement:

(a) "As a consequence of the negotiations which have just taken place outside the Coordinating Committee, I am authorised to accept the United States proposal, on the understanding that the definition frees the cobalt compounds listed in the Annex to Document 3416.00/2 which do not contain more than 40% of cobalt in their anhydrous form - that is to say acetates, nitrates and sulphates.

(b) "I must however repeat that my Delegation maintains the point of view expressed previously, to the effect that the freeing of nickel and cobalt alloys as proposed should have led to equality of treatment for compounds, owing to the fact that these products are normally utilised for civilian purposes.

(c) "The Belgian Delegation is aware that cobalt metal can be extracted from compounds, but they would stress that similar extraction is possible in the case of alloys. Moreover, it is possible to convert non-strategic alloys into strategic alloys by the addition of new elements.

(d) "It is because for the last four months the Committee has been in a blind alley that, in the spirit of compromise, my authorities accept the United States proposal, it being understood that they reserve the right to submit other and less restrictive proposals when the embargo lists are revised."

18. The Committee AGREED to the United States proposal, the BELGIAN Delegate reserving his position as to the final wording.

19. The UNITED KINGDOM Delegate, referring to Item 1648(b), reminded the Committee of their agreement to his suggestion for inclusion of the words "other than alloys covered by Items 1631 and 1635" (paragraphs 6 and 7 of COCOM Document 3416.48/2).

20. The Committee CONFIRMED their acceptance on this point.

21. On the 19th March the Committee AGREED upon the undernoted definitions for Items 1648, 1720, 4648 and 4720, which would come into force on the 15th April if none of the Member Governments had raised an objection before that date. The BELGIAN Delegate reserved his Government's right to suggest a change of wording for Item 1720.

1648 Cobalt, as follows:

- (a) Raw materials, including White Alloys and Red Alloys; (See interpretative Note No. 6.)
- (b) Cobalt-bearing alloys (other than alloys covered by Items 1631 and 1635), containing:
 - (1) 50% or more cobalt; or
 - (2) 19% or more cobalt and 14% or more chromium and less than 1% carbon; or
 - (3) 19% or more cobalt and 14% or more chromium or 3% or more molybdenum;

(NOTE: Governments may permit as administrative exceptions exports of small quantities of dental alloys and small quantities of narrow strips for watch springs. Such shipments should be reported in the monthly statistics.)

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- ++) (c) Cobalt-bearing scrap; excluding iron and steel scrap containing insignificant quantities of cobalt.
(See also Item 4648)
- 1720 Compounds which contain 40% or more cobalt calculated on an anhydrous basis whether the compounds are actually shipped in their anhydrous or their hydrated form.
(See also Item 4720.)
- 4648 Cobalt alloys, n.e.s., containing 19% or more cobalt and 14% or more chromium in combination, and scrap thereof.
(See also Item 1648.)
- 4720 Cobalt compounds, n.e.s. (excluding: (i) paint driers; (ii) cobalt organic artificial colouring matters; and (iii) other paint pigments).
(NOTE: Paint driers, for this purpose, are regarded as being products, or preparations of such products, containing combined cobalt with or without other metals, produced in any way by reaction with one or more of the following: linseed oil, linseed oil fatty acids, colophony, tall oil, naphthonic acids, 2-ethyl-hexanoic acid.)

++) No decision has been reached as to a re-wording of sub-item 1648(c).

The German Delegation proposed "Cobalt metal scrap and cobalt-based alloy scrap" (See COCOM Document 2869.74.)

The United Kingdom and United States Delegates would prefer: "Scrap forms of the metal and alloys covered under (b) above". (See COCOM Document 3416.00/2, paragraphs 28, 40.3 and 52.)

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